

Profiles: Government Farm Payments and Other Government Transfer Payments in the United States

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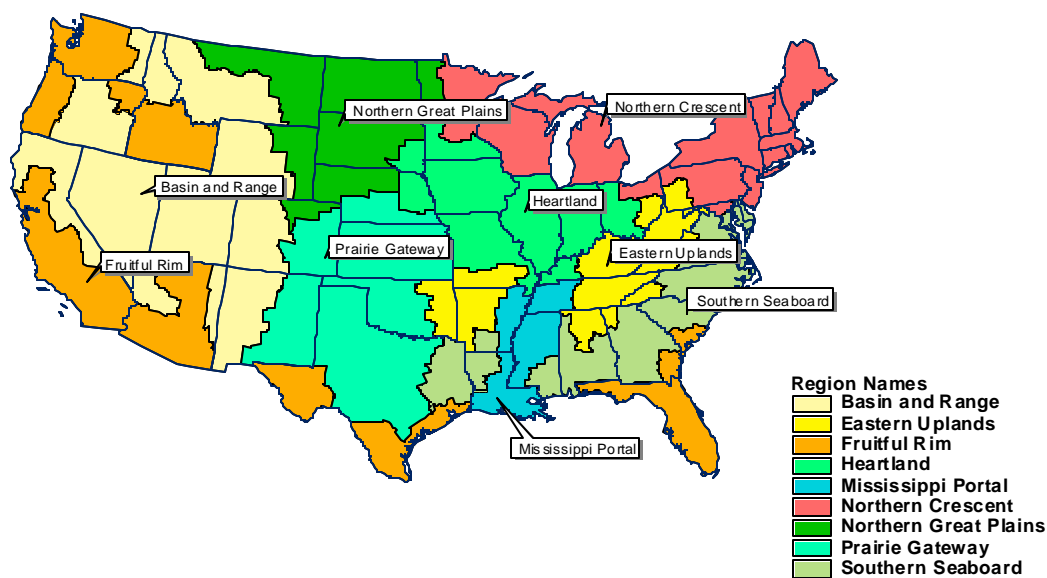
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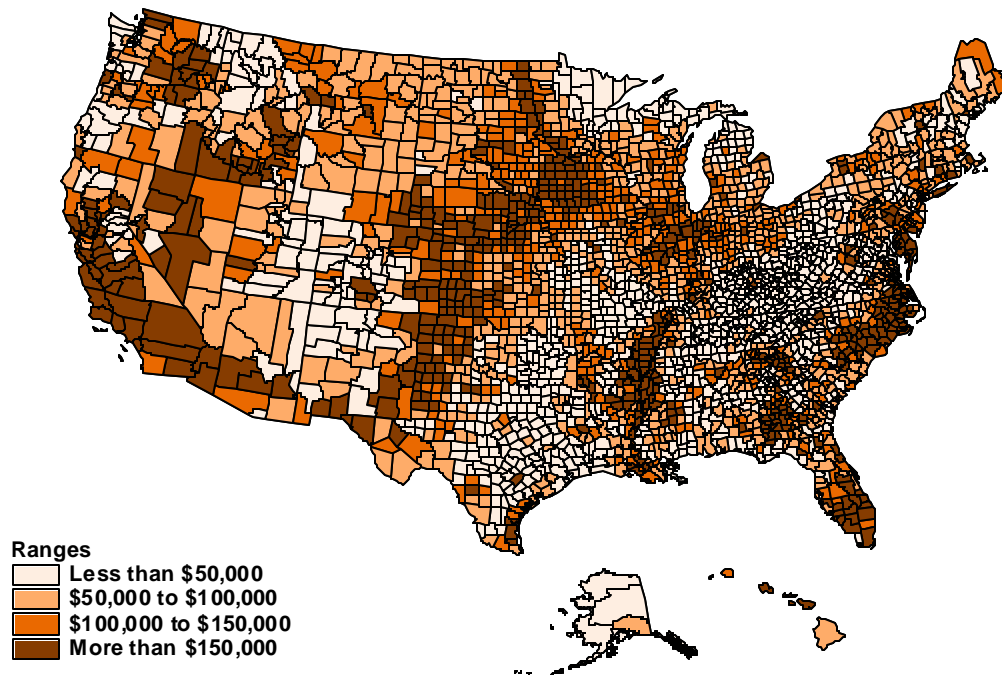
This report summarizes characteristics of farm revenues, farm ownership and operation, government farm payments, and other government transfer payments in the United States. The report contains county-level, thematic maps created using data from the Bureau of Economic Analysis Regional Economic Information System (1998) and the U.S. Department of Agriculture Census of Agriculture (1997).

Some variables in the report have been aggregated to profile characteristics of nine distinct, but not necessarily contiguous regions in the United States. These nine U.S. Farm Resource Regions, shown below, were identified by the USDA Economic Research Service to help identify patterns in U.S. farming that may be used to better understand differences in farm performance and the economic well-being of farm households. More information about these U.S. Farm Resource Regions may be found in a publication by Ralph Heimlich at the USDA website. The title of the publication is, "Farm Resource Regions," ERS No. 760, August 2000.

Economic Research Service U.S. Farm Resource Regions



Map 1. Average Dollar Value of Agricultural Products Sold per Farm



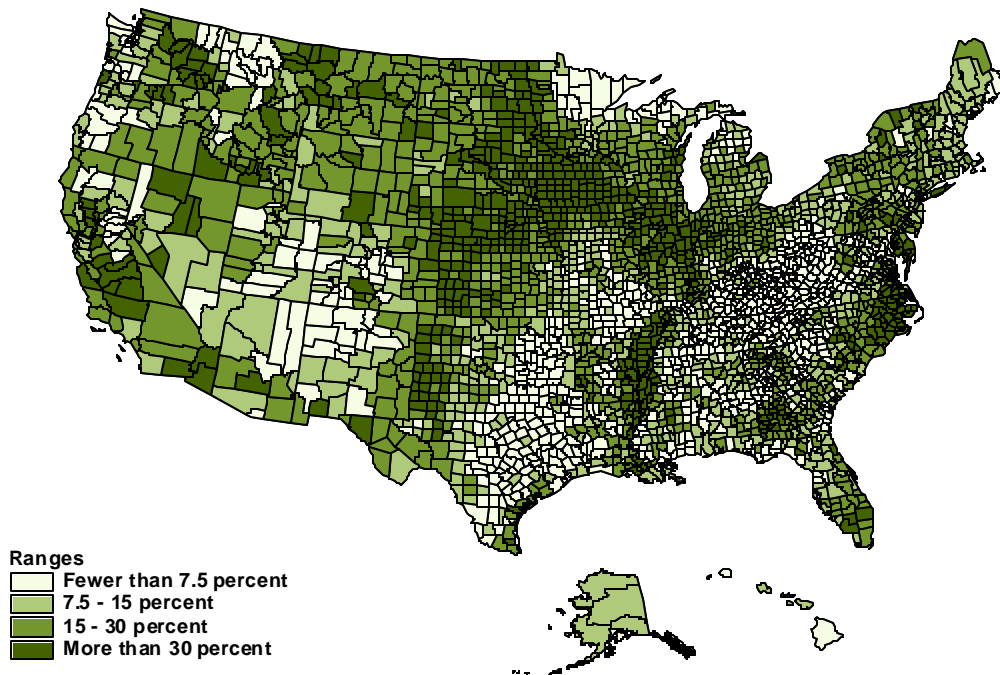
Map 1 shows the market value of agricultural products sold per farm by county in 1997. Sales are defined as the gross market value before taxes and production expenses of all agricultural products sold during the census year. Farms are defined as any place where more than \$1,000 of agricultural products were produced and sold during the census year.

Gross receipts per farm is one method of measuring and inferring potential farm profitability across commodities and space. High-value regions in the map above correspond with regions of cotton, tobacco, potato, sugar, vegetable, fruit and nut production, and cattle and hog-feeding operations. The highest value in the top range shown in the map is \$1.8 million in sales per farm. Fifteen counties in the U.S. had more than \$1 million in sales per farm. These counties were located in Southern California, Southern Florida, and the Panhandle region in Texas.

On a regional basis, the Fruitful Rim had the highest weighted average value of sales, with \$200,000 per farm. The Eastern Uplands region had the lowest weighted average sales value, with \$42,000 in sales per farm.

The Heartland region had the highest overall volume of sales in 1997. This region produced nearly 23 percent of the total market value of agricultural products sold in the United States. Average sales per farm in this region was \$106,000, which was just slightly above the national average of \$102,000.

Map 2. Percentage of Farms in County with Sales Exceeding \$100,000

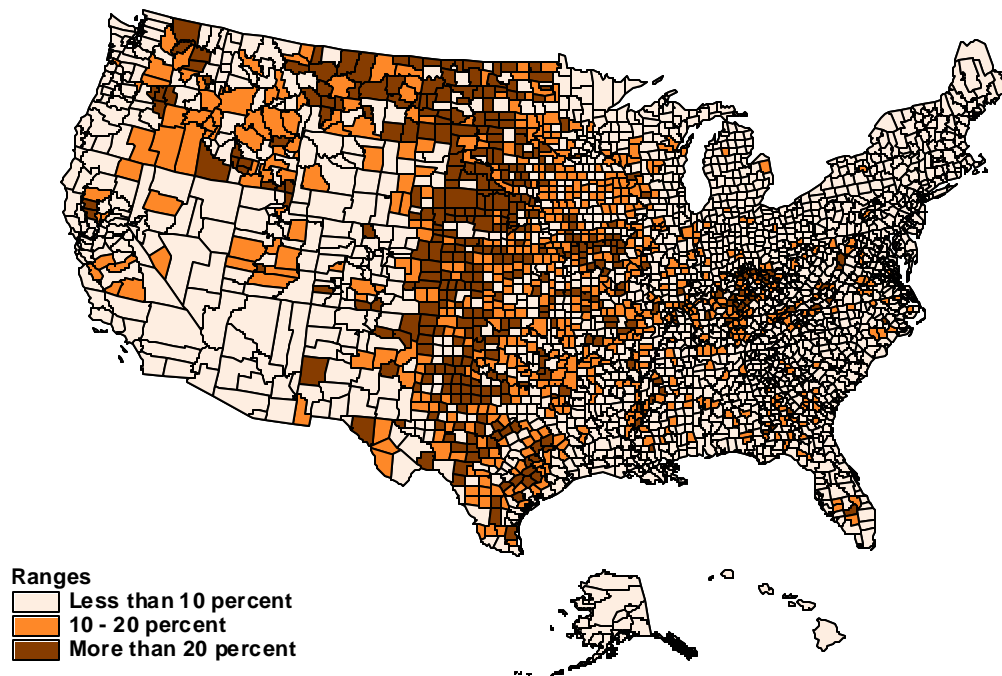


Map 2 shows the percentage of farms by county with sales exceeding \$100,000 in 1997. We have used the \$100,000 cutoff value to distinguish between large and small farms. The map provides an indication of the spatial distribution and concentration of large farms, with size measured by sales rather than acreage.

Counties in the top range of values shown in Map 2 cover vast portions of the Heartland, Prairie Gateway, and Mississippi Portal regions. The Southern Seaboard and Fruitful Rim also had several counties in the top range of values. These county regions associate spatially with the following ERS county clusters of farm types: corn, soybeans, and hogs; cattle, wheat, and sorghum; fruit; tobacco; and cotton farms.

On a regional basis, the Northern Great Plains had the highest average percent of large farms. Overall, 27 percent of farms in the Northern Great Plains were large farms. The Eastern Uplands region had the lowest average concentration of large farms with 7 percent. Nearly one third of the nation's large farms were located in the Heartland region, where they represented 26 percent of all farms in the region.

Map 3. Farm Employment as a Percentage of Total County Employment



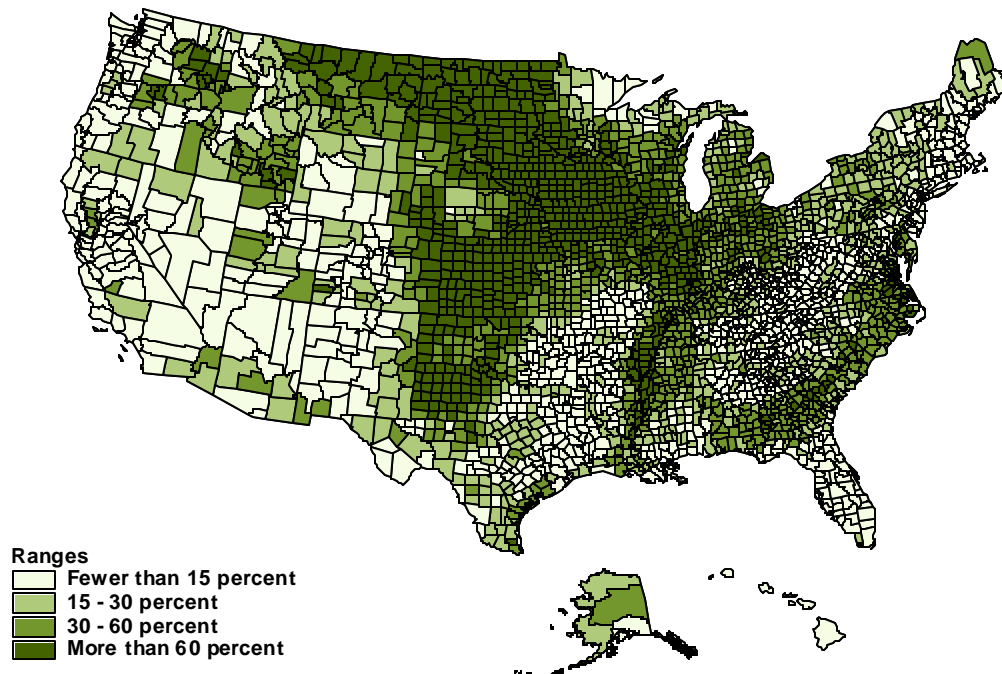
Map 3 shows the percentage of farm jobs by county as a measure of farm-dependence. Jobs are measured as the average annual number of full-time and part-time jobs by place of work. Farm jobs include both self-employment and wage and salary employment. Farm jobs do not include employment in Agricultural Services industries.

Counties in the top range of values, where farm jobs represent more than 20 percent of all jobs, are the most farm-dependent. The high value for this range is 66 percent. Most of these highly farm-dependent counties are located in the Northern Great Plains and Prairie Gateway Regions. In 1998, there were ten U.S. counties with more than 50 percent of jobs in farming. Nine of these counties were located in the Northern Great Plains and Prairie Gateway Regions.

Totals by region indicate the Northern Great Plains region was the most farm-dependent in 1998. Farm jobs represented 6.5 percent of the region's total jobs. The Northern Crescent region, with just 1 percent of jobs in farming, was the least farm-dependent region. The national average was about 2 percent.

The Fruitful Rim and Heartland regions had the largest number of farm jobs in the nation, with shares of 21 percent and 18 percent, respectively.

Map 4. Percentage of Farms in County Receiving Government Farm Payments



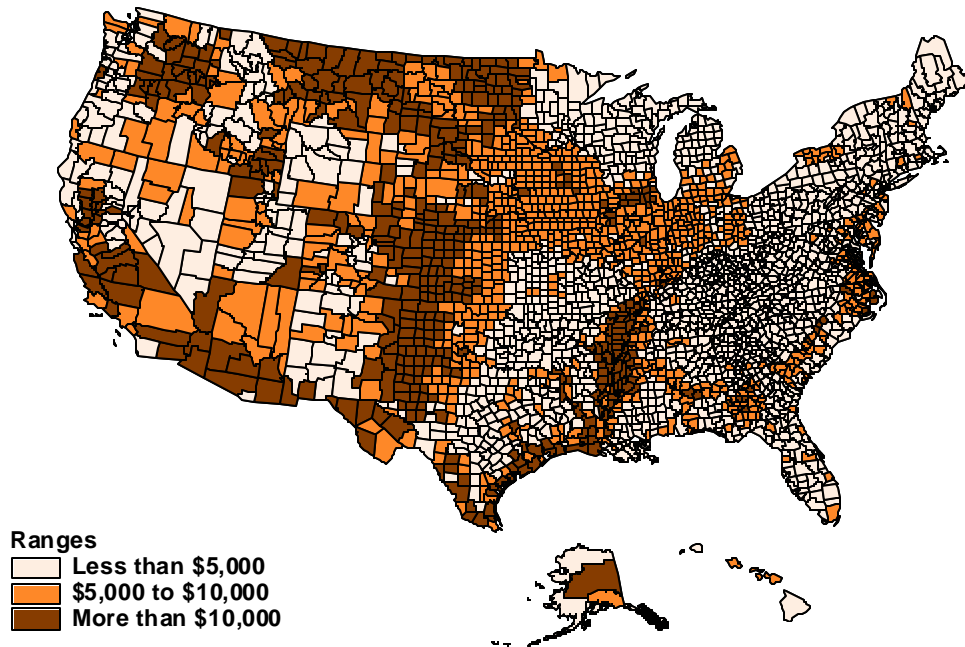
Map 4 shows the percentage of farms receiving government farm payments in 1997. Farm payments are defined as direct cash payments received by the farm operator in 1997, including disaster payments and conservation program payments.

This map indicates how the prevalence of farm payment programs in the United States varies by region. Some counties had as many as 90 percent of farms receiving government farm payments in 1997, while others had none. Counties with more than 60 percent of farms receiving payments are clearly grouped in the Northern Great Plains, Prairie Gateway, Heartland regions. The Mississippi Portal region also has a band of counties with high participation in farm payment programs. Some of the crops associated with these regions include corn, wheat, and cotton.

The Northern Great Plains region had the highest overall percentage of farms receiving government farm payments in 1997. In this region, 67 percent of all farms received payments. The average in the Heartland region was 61 percent. The Prairie Gateway region average was 41 percent. The Eastern Uplands region had the lowest overall average, with just under 14 percent.

Nationally, more than 37 percent of all farms receiving government farm payments were located in the Heartland region.

Map 5. Average Government Farm Payments (\$) per Recipient Farm

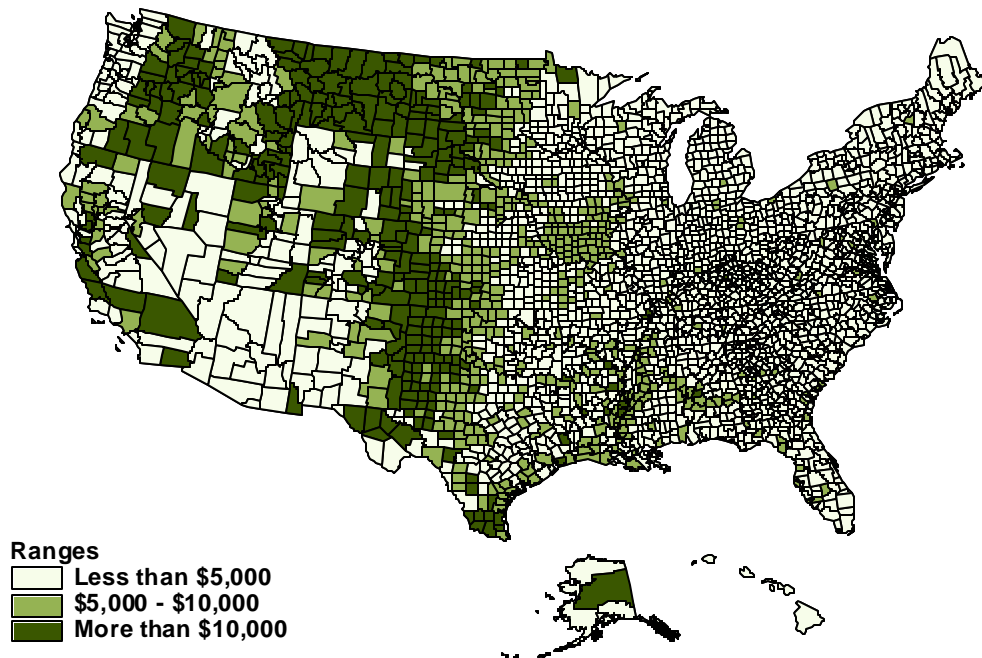


Map 5 shows the dollar amount of government farm payments per farm, for all farms receiving payments in 1997. Government farm payments include direct cash payments to farm operators, as defined for Map 4.

Government farm payments averaged as high as \$46,000 per farm in 1997. Fifteen counties averaged more than \$30,000 per farm. Most of these counties were located in the Mississippi Portal and Fruitful Rim regions. The location of counties in the top range of values in Map 5 differs slightly from Map 4. On a dollars per farm basis, the counties with the highest values are found primarily in the Prairie Gateway, Northern Great Plains, Mississippi Portal regions, and parts of the Fruitful Rim region. Some of the crops associated with high regions include cotton, wheat, oats and other grains, corn and soybeans.

On a regional basis, the Fruitful Rim had the highest overall average, with just over \$12,000 in government payments per farm. The Eastern Uplands region received just over \$2,000 per farm. The Heartland Region received the greatest share of total government farm payments in 1997. About 35 percent of all direct payments to operators went to the Heartland region, where the average payment per farm was about \$7,000.

Map 6. Average Government Farm Payments (\$) for Conservation Reserve and Wetlands Protection Programs per Recipient Farm

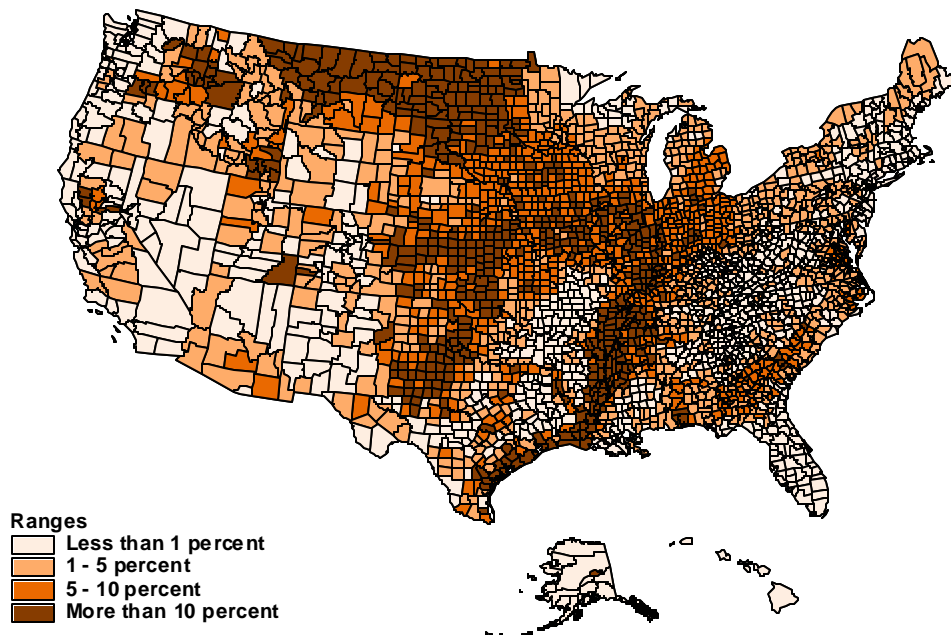


Map 6 isolates conservation reserve and wetlands protection payments from the government farm payments shown in Map 5. Only those farms receiving conservation program payments were included in calculating average payments per farm.

Counties in the top range of values appear primarily in western regions of the United States. The highest average payment per farm in any county was \$37,000 in 1997. The Northern Great Plains and Prairie Gateway regions both contain a large share of counties in the top range of values. The average payment per farm in the Northern Great Plains region was \$11,000. More than one quarter of all farms in this region received conservation program payments in 1997.

The Heartland and Prairie Gateway regions received the largest national shares of conservation program payments in 1997, with 27 and 26 percent, respectively.

Map 7. Government Farm Payments as a Percentage of Total Farm Receipts



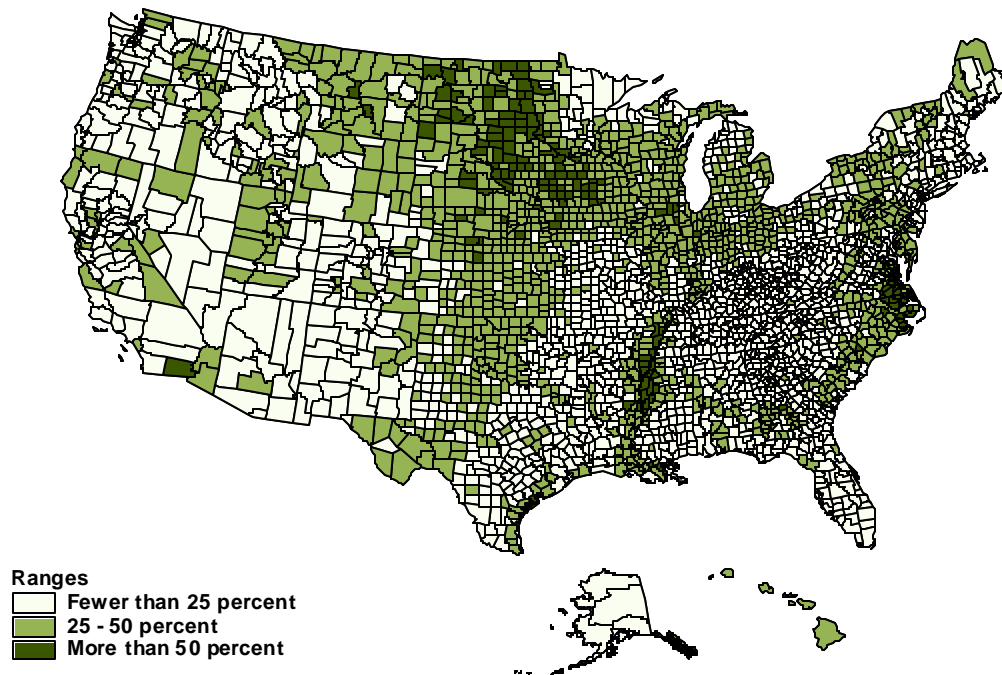
Map 7 shows government farm payments as a percentage of total farm receipts by county in 1998. This map provides an indication of farm program dependence. Total farm receipts include total cash receipts from marketings and other income, including government payments, machine hire, rental income, custom work income, and imputed income such as gross rental value of dwellings.

Counties with high farm payment dependence are most concentrated in the Mississippi Portal, Northern Great Plains, Heartland, and Prairie Gateway regions. Crops grown in these regions include wheat and other grains, corn, and cotton.

On a regional basis, the Mississippi Portal had the highest percentage of total farm receipts from government farm payments. These payments represented 11.5 percent of total farm receipts in the region in 1998. The averages for the Northern Great Plains, Heartland and Prairie Gateway regions were 10.5 percent, 8.5 percent, and 7.5 percent, respectively. In the remaining regions, government farm payments were at or below 5 percent of total farm receipts.

Shares of total government payments did not necessarily align with shares of total farm receipts among the various regions in the United States. The Fruitful Rim had 21 percent of farm receipts, but received only 8 percent of government farm payments. The Heartland region had 21 percent of farm receipts, and 35 percent of government farm payments. Three other regions had a larger share of government farm payments than total farm receipts: the Northern Great Plains, the Prairie Gateway, and the Mississippi Portal regions.

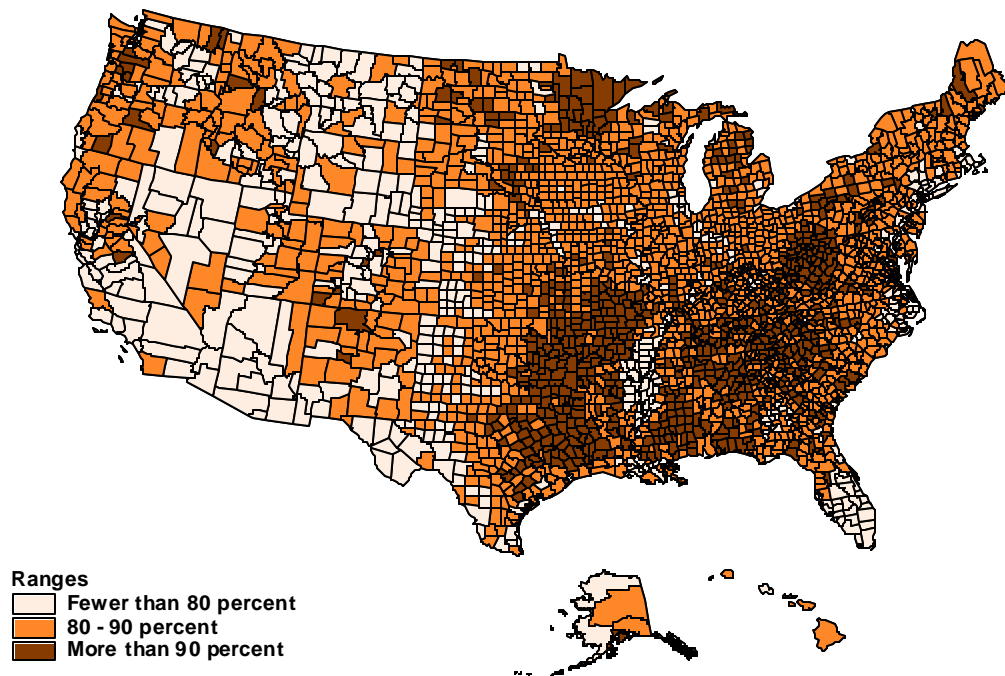
Map 8. Percent of Farms in County Operated on a Cash-Rent Basis



Map 8 shows the percentage of farms operated on a cash-rent basis by county in 1997. This map indicates regions where absentee land-ownership may be relatively high.

Most counties in the Northern Great Plains, Heartland, and Prairie Gateway regions fall within the middle range of values, where 25 to 50 percent of farms are operated on a cash-rent basis. The overall average for the Northern Great Plains is about 41 percent. The Heartland, Prairie Gateway, and Northern Crescent regions average more than 25 percent. In the remaining regions, fewer than 25 percent of all farms are operated on a cash-rent basis.

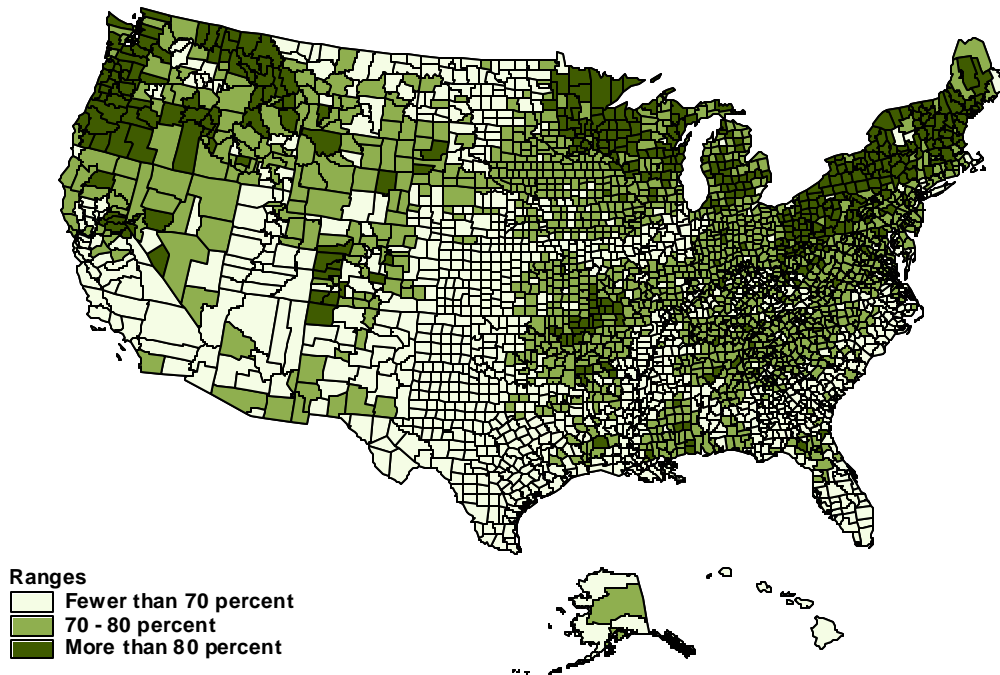
Map 9. Percentage of Individual or Family (Sole Proprietorship) Farms



Map 9 shows the percentage of farms owned by sole proprietors or families. As the map indicates, characteristics of farm ownership are very similar across much of the United States. Between 80 and 90 percent of farms are owned by sole proprietors in more than half of all U.S. counties. Western regions have relatively more counties in the lowest range of values shown in the map. Some counties in the Fruitful Rim and Basin and Range regions have just 40 percent of farms owned by sole proprietors.

The Eastern Uplands and Southern Seaboard regions contain a large number of counties in the top range of values, with ownership by sole proprietors at or above 90 percent. These regions are associated with poultry production. In northern Minnesota and West Virginia, the counties in the top range are classified by the ERS as poultry and part-time cattle.

Map 10. Farm Operators by Place of Residence: Percent Living on Farm Operated

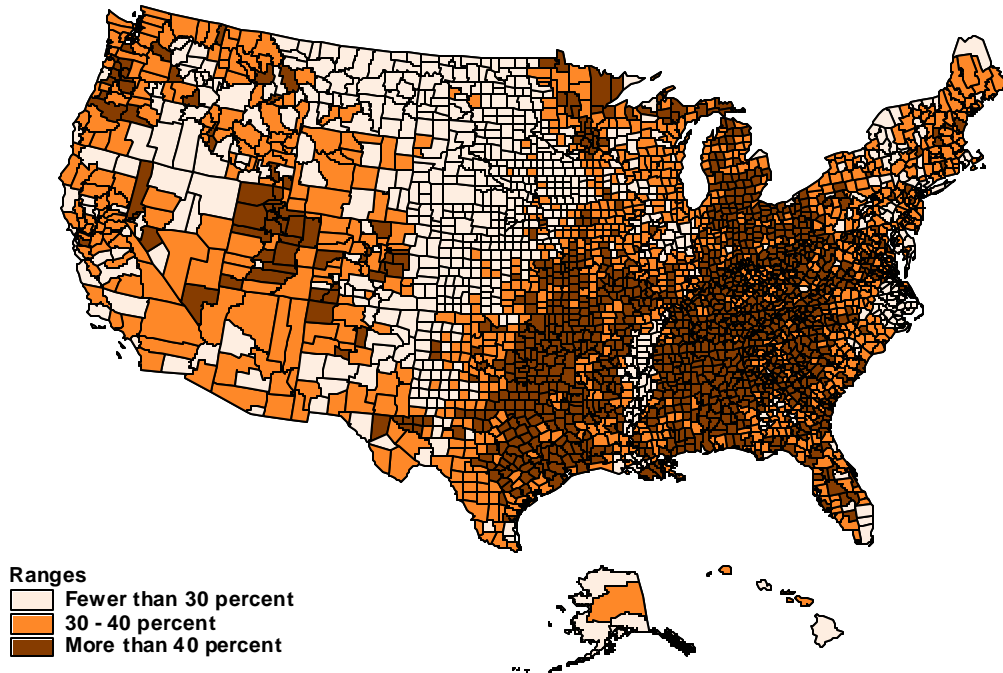


Map 10 shows the percentage of farm operators who reside on the farm they operate. This measure is equivalent to the percentage of farms with an operator in residence, because the total number of farm operators by county corresponds one-to-one with the number of farms in the Census of Agriculture.

Farm operators in the dairy-producing Northern Crescent region appear most likely to live on the farms they operate. About 81 percent of farms in this region have an operator in residence. Regions associated with sheep, poultry, and other livestock production also have relatively high numbers of farms with operators in residence.

The Prairie Gateway and Fruitful Rim regions include counties with the lowest percentage of farms with operators in residence. In one fifth of all counties in these regions, 50 percent or fewer farms have an operator in residence.

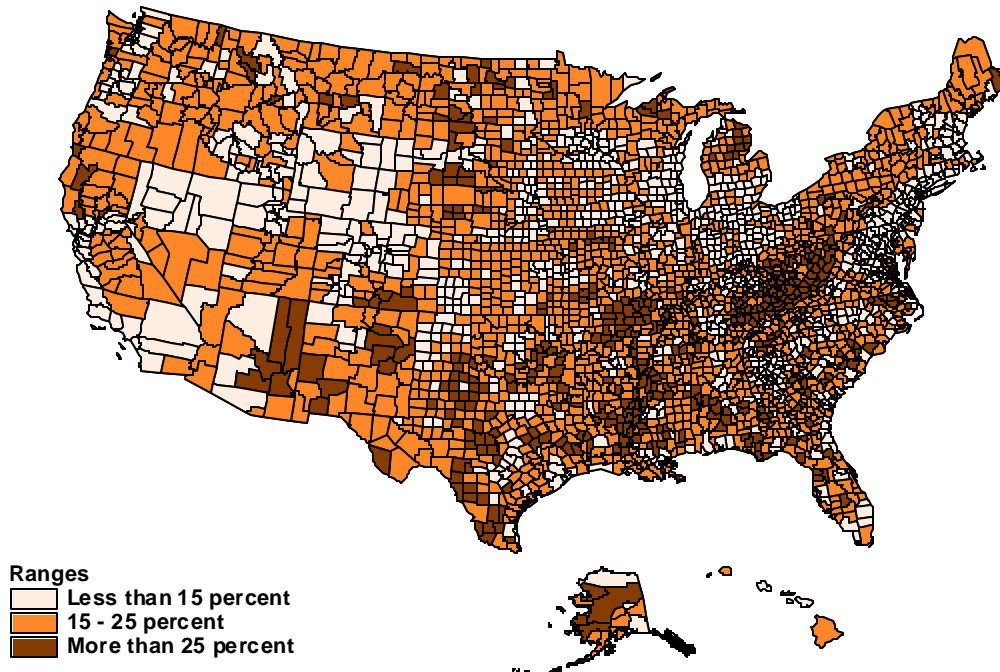
Map 11. Percentage of Farm Operators Working More Than 200 Days Off-Farm



Map 11 shows the percentage of farm operators who worked 200 days or more off-farm during the 1997 Agricultural Census year. For census purposes, a farm operator may be the owner, a member of the owner's household, a hired manager, a tenant, a renter, or a sharecropper.

Farm operators in the Eastern Uplands and Southern Seaboard regions have relatively high levels of off-farm employment. The percentage of farm operators working more than 200 days off farm is more than 60 percent in some of these counties. In contrast, farm operators in the Northern Great Plains and Prairie Gateway regions have relatively low levels of off-farm employment. The regional averages, however, are not vastly different from one another. The Eastern Uplands average, at 44 percent, is the highest for all regions. The Northern Great Plains average, at 23 percent, is the lowest for all regions.

Map 12. Government Transfer Payments to Individuals as a Percentage of Total Personal Income

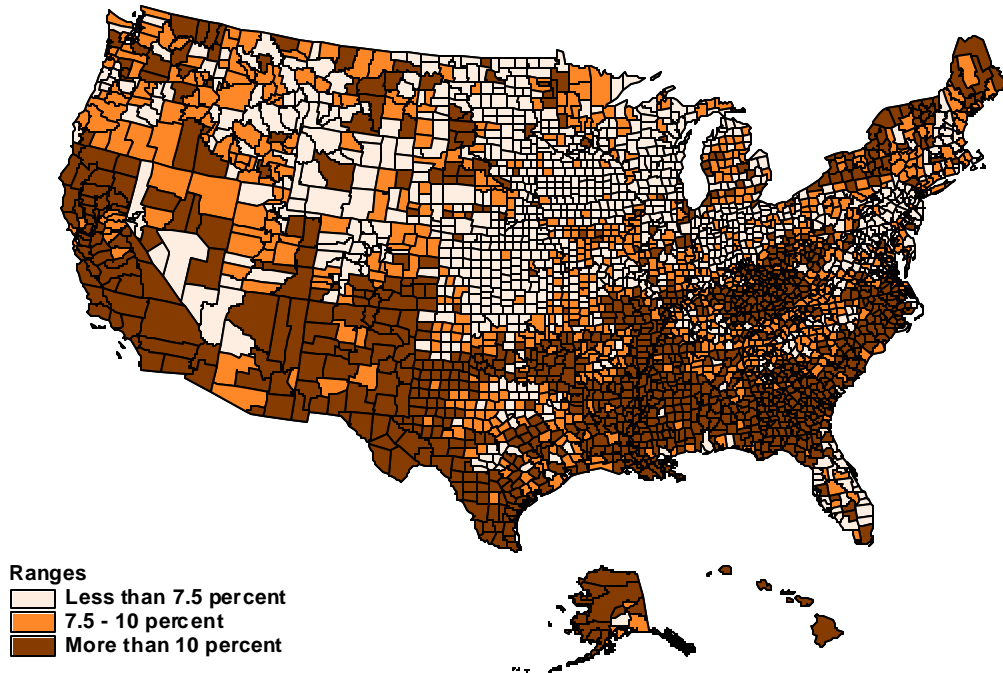


Map 12 shows the percentage of total personal income from government transfer payments to individuals. About one third of all U.S. counties fall within the lowest range, which has a low value of 2 percent. About half of that number of counties fall within the highest range of values. The high value for this range is 80 percent. The majority of U.S. counties fall into the middle range of values.

With the exception of Native American reservation lands, Appalachia, and the Ozarks, distinct spatial concentrations of transfer payment dependence are difficult to distinguish. On a weighted average basis, government transfer payments represented 11-12 percent of total personal income in all but two regions in 1998. The average was above 16 percent in the Mississippi Portal and Eastern Uplands regions.

Based on individual county values, the Northern Great Plains region had the widest range of dependence on government transfer payments. The low in this region was 5.3 percent, and the high was 80 percent. The Northern Crescent had the smallest range of values, with a low of 3 percent and a high of 35 percent.

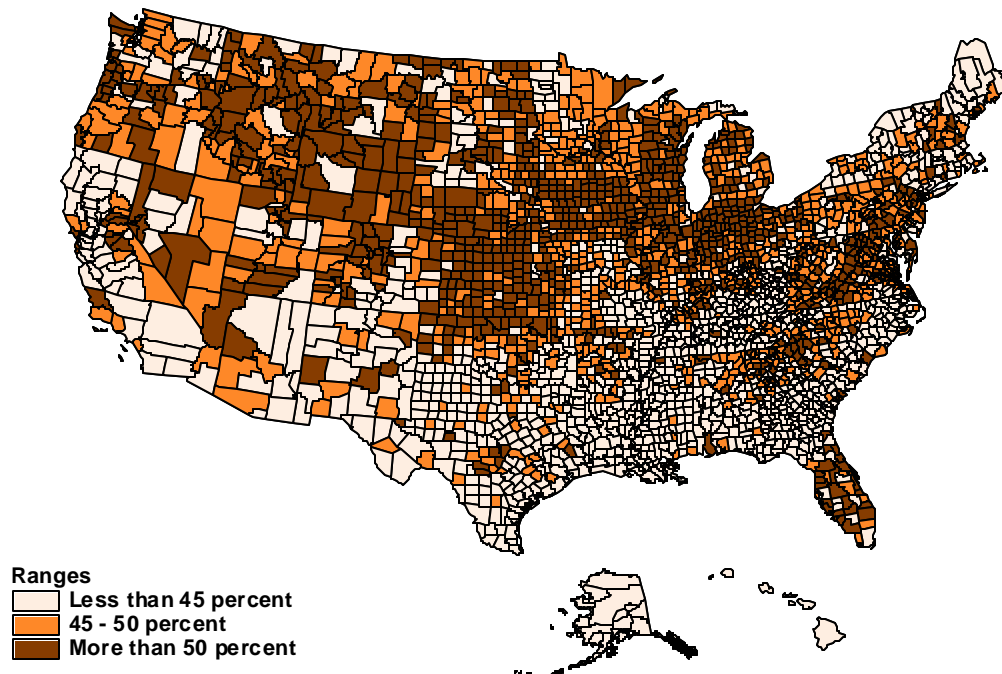
Map 13. Income Maintenance Payments as a Percentage of Total Government Transfer Payments to Individuals



Map 13 shows income maintenance payments as a percentage of total government transfer payments to individuals. Income maintenance payments include Supplemental Security Income (SSI), family assistance, and food stamps.

Income maintenance payments in some counties represent 30 percent or more of total transfer payments to individuals. These counties are located in South Dakota, California, and Utah. In general, income maintenance payments comprise a larger share of total government transfer payments to individuals in Southern states. California, Hawaii, and Mississippi rank the highest at 17 percent, 16 percent, and 14 percent, respectively.

Map 14. Retirement Payments as a Percentage of Total Government Transfer Payments to Individuals



Map 14 shows retirement and disability payments as a percentage of total government transfers to individuals. These payments include old age, survivors, and disability insurance payments.

Counties with retirement and disability payments comprising more than 50 percent of total transfer payments generally appear in the Midwest and the West. Statewide averages exceed 50 percent in Wyoming, Iowa, Nevada, Idaho, Kansas, and West Virginia.